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Senegal

Cotton and Products

West Africa Cotton Annual 2009

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Report Highlights:

While the 2008/09 cotton crop in West Africa benefited from relatively high pre-season prices and good rains, production was still disappointing. Meanwhile, prices have crashed and defaults on fiber sales contracts and unsold cotton fiber continue to afflict the sector. Farmers have received approximately half their payments, and debts are accumulating among private and public ginneries alike. Meanwhile, cereal crops will continue to compete for limited inputs and production across the region is likely to decline for the fourth year running.

Includes PSD Changes: Yes
Includes Trade Matrix: No
Annual Report
Dakar [SG1]
[SG]

West African Cotton Outlook 2009/2010

Overview:

Cotton area in West Africa is difficult to predict before the annual cotton and input prices are announced through the national pricing policy in each country. These prices are expected to be announced in coming weeks. Farmer incentives are also influenced by whether or not farmers were paid for the previous year's crop. Finally, each cotton sector begins the New Year with significant old-crop debts, and new financing requirements for the next campaign. Financing difficulties and delays affect the procurement and distribution of inputs, which affects planting decisions. Input credits used to be one of the key incentives for cotton producers to continue to grow cotton despite low fiber prices. The increase in input prices in recent years has combined with competition for inputs from cereal crops from national cereal production schemes to diminish this incentive. All of these factors are quite negative going into the 2009/10 season.

A look at previous 'preseason' forecasts of the past three years indicates that they were all quite optimistic (on aggregate 25 percent above current estimates), even though at the time they were all well below the official, national targeted production. It is important to note that the preseason forecasts are always a function of pessimistic structural realities balanced against ambitious national targets. The reality is that the sector continues to decline despite the best intentions and efforts of national governments and the donor community. For 2009/10, cotton production in the C-4 (Mali, Burkina Faso, Chad and Benin) is likely to fall to 1.65 million bales. Senegal and Cote d'Ivoire will probably account for another 250,000 bales. While most of the structural problems remain unchanged (and are worsening in some areas), the dramatic decline in world cotton consumption has hit West Africa exports creating more financial difficulties for cotton companies. Lower world prices will need to be transmitted to farmers in 2009/10. For more information on the history and structure of the cotton sector in West Africa, please see previous reports, including [SG7011](#), [SG7020](#), [SG8001](#), [SG8012](#) and [SG8020](#).

Cotton Production forecast history (1,000 480lb bales):

	2007/08 USDA Official Production (1,000 480lb bales)	2008/09 USDA Official Production (1,000 480lb bales)	2009/10 Area (1,000 hectares)	Preliminary Forecast 2009/10 Production (1,000 480lb bales)
Mali	450	385	110	300
Burkina Faso	675	850	390	750
Benin	500	460	180	450
Chad	190	190	170	150
Cote d'Ivoire	225	225	150	175
Senegal	88	95	40	75
West Africa Total	2,128	2,205		1,900

Mali

The cotton sector in Mali is in a precarious state that is likely to get worse before it gets better. The 2008/09 crop of 201,000 tons of seed cotton and approximately 85,000 tons of fiber and 285,000 bales is the lowest production level in over 20 years. Less than half of farmer payments have been made. Funds nearing USD \$50 million are needed to close out the previous campaign and pre-finance inputs for the 2009/10 crop. The privatization of CMDT has significantly increased uncertainty in a sector that was already mired in high debts. Producer incentives to grow cotton can only be expected to fall further, and millions of smaller producers are likely to stop producing cotton. However, it is unlikely that the government, international organizations and donors will allow cotton to completely fail in Mali. The government has plans to subsidize inputs although only a small amount of NPK is currently available for distribution.

Burkina Faso

There is widespread cautious optimism for the commercialization of BT cotton in Burkina Faso, although low prices and ginner debts continue to weigh heavily. The 2008/09 crop rebounded nicely from the collapse of 2007/08 although yields were mixed across different growing regions. The 2008/09 estimate will likely change once there is official notification of the completion of the ginning campaign. While low prices and debts throughout the sector continue to stymie significant sustainable growth, the cotton sector in Burkina Faso is expected to weather a difficult 2009/10 season. A relatively transparent price determination mechanism is expected to reflect the true world price to farmers, who will slightly lower area in response.

Benin

The government of Benin has announced a widespread plan to revive the cotton sector. The realities of 2009/10 are that Benin may only be able to afford short-term measures as opposed to longer term reform and investments that are needed. Benin has higher yields and better port access than other C-4 producers. Like Burkina Faso, there is a future for cotton in Benin, and for 2009/10 area is expected to fall slightly in response to low prices. Delays in the import, financing and distribution of inputs are annual problems in Benin, as well as other countries.

Chad

While the government increased funding for research and extension in 2008, the future of the sector remains uncertain in the absence of reform of the cotton company Coton Tchad and much needed capital investments. Farmer incentives will depend on whether or not they get paid for the 2008 crop. Assuming the annual delays and lower world prices, area is expected to slip further.

Cote d'Ivoire

The structural problems in the cotton sector in Cote d'Ivoire have been compounded by the recent civil war and ongoing political uncertainties. Despite international sanctions, the cotton sector in Cote d'Ivoire has attracted some development assistance and investment. While there is significant potential, low world prices and lack of access to inputs suggest that 2009/10 will not be the year of recovery.

Senegal

Senegal has produced between 90,000 and 100,000 bales of cotton for the past six years, making it the most consistent (albeit small) producer in the region of high quality fiber. This is expected to continue in 2009/10. The forecast is lowered to 75,000 bales based on lower prices.

Cotton	Chad	2007			2008			2009		
		2007/2008			2008/2009			2009/2010		
		Market Year Begin: Aug 2006			Market Year Begin: Jun 2008			Market Year Begin: Aug 2009		
		Annual Data Displayed		New Post	Annual Data Displayed		New Post	Annual Data Displayed		Jan
				Data			Data			Data
Area Planted		0	0	0	0	0	0			0
Area Harvested		180	180	0	180	175	175			170
Beginning Stocks		63	63	63	63	23	23			33
Production		190	190	190	200	190	190			150
Imports		0	0	0	0	0	0			0
MY Imports from U.S.		0	0	0	0	0	0			0
Total Supply		253	253	253	263	213	213			183
Exports		175	215	215	150	165	165			150
Use		15	15	15	15	15	15			15
Loss		0	0	0	0	0	0			0
Total Dom. Cons.		15	15	15	15	15	15			15
Ending Stocks		63	23	23	98	33	33			18
Total Distribution		253	253	253	263	213	213			183
Stock to Use %		33	10	10	59	18	18			11
Yield		230.	230.	0.	242.	236.	236.			192.
TS=TD				0			0			0
Comments										
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Cotton	Ma	2007		2008		2009	
		2007/2008		2008/2009		2009/2010	
		Market Year Begin: Aug 2007		Market Year Begin: Jun 2008		Market Year Begin: Aug 2009	
		Annual Data Displayed	New Post	Annual Data Displayed	New Post	Annual Data Displayed	Jan
			Data		Data		Data
Area Planted		0	0	0	0	0	0
Area Harvested		284	284	190	207	207	110
Beginning Stocks		190	190	117	67	117	179
Production		450	450	350	350	385	300
Imports		0	0	0	0	0	0
MY Imports from U.S.		0	0	0	0	0	0
Total Supply		640	640	467	417	502	479
Exports		500	550	325	300	300	300
Use		23	23	25	23	23	25
Loss		0	0	0	0	0	0
Total Dom. Cons.		23	23	25	23	23	25
Ending Stocks		117	67	117	94	179	154
Total Distribution		640	640	467	417	502	479
Stock to Use %		22	12	33	29	55	47
Yield		345.	345.	401.	368.	405.	594.
TS=TD			0			0	0
Comments							
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Cotton	Burkina Faso	2007		2008		2009	
		2007/2008		2008/2009		2009/2010	
		Market Year Begin: Aug 2007		Market Year Begin: Jun 2008		Market Year Begin: Aug 2009	
		Annual Data Displayed	New Post	Annual Data Displayed	New Post	Annual Data Displayed	Jan
			Data		Data		Data
Area Planted		0	0	0	0	0	0
Area Harvested		400	400	440	440		390
Beginning Stocks		306	306	202	102		48
Production		675	675	850	850		750
Imports		0	0	0	0		0
MY Imports from U.S.		0	0	0	0		0
Total Supply		981	981	1,052	952		798
Exports		775	875	800	900		725
Use		4	4	4	4		4
Loss		0	0	0	0		0
Total Dom. Cons.		4	4	4	4		4
Ending Stocks		202	102	248	48		69
Total Distribution		981	981	1,052	952		798
Stock to Use %		26	12	31	5		9
Yield		367.	367.	421.	421.		419.
TS=TD			0		0		0
Comments							
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Cotton	Ber	2007			2008			2009		
		2007/2008			2008/2009			2009/2010		
		Market Year Begin: Aug 2007			Market Year Begin: Aug 2008			Market Year Begin: Aug 2009		
		Annual Data Displayed		New Post	Annual Data Displayed		New Post	Annual Data Displayed		Jan
				Data			Data			Data
Area Planted		0	0	0	0	0	0			0
Area Harvested		234	234	234	205	205	205			180
Beginning Stocks		148	148	148	138	88	88			38
Production		500	500	500	460	460	460			450
Imports		0	0	0	0	0	0			0
MY Imports from U.S.		0	0	0	0	0	0			0
Total Supply		648	648	648	598	548	548			488
Exports		500	550	550	425	500	500			400
Use		10	10	10	10	10	10			10
Loss		0	0	0	0	0	0			0
Total Dom. Cons.		10	10	10	10	10	10			10
Ending Stocks		138	88	88	163	38	38			78
Total Distribution		648	648	648	598	548	548			488
Stock to Use %		27	16	16	37	7	7			19
Yield		465.	465.	465.	489.	489.	489.			544.
TS=TD				0			0			0
Comments										
AGR Number										

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Cotton d'Ivoire	2007			2008			2009		
	2007/2008			2008/2009			2009/2010		
	Market Year Begin: Aug 2007			Market Year Begin: Jun 2008			Market Year Begin: Aug 2009		
	Annual Data Displayed		New Post	Annual Data Displayed		New Post	Annual Data Displayed		Jan
			Data			Data			Data
Area Planted	0		0	0		0			0
Area Harvested	200		0	190		190			150
Beginning Stocks	223		0	173		0			25
Production	225		0	225		225			175
Imports	0		0	0		0			0
MY Imports from U.S.	0		0	0		0			0
Total Supply	448		0	398		225			200
Exports	225		0	200		150			140
Use	50		0	50		50			50
Loss	0		0	0		0			0
Total Dom. Cons.	50		0	50		50			50
Ending Stocks	173		0	148		25			10
Total Distribution	448		0	398		225			200
Stock to Use %	63		0	59		13			5
Yield	245.		0.	258.		258.			254.
TS=TD			0			0			0
Comments									
AGR Number									

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Cotton	Senegal	2007		2008		2009	
		2007/2008		2008/2009		2009/2010	
		Market Year Begin: Aug 2007		Market Year Begin: Aug 2008		Market Year Begin: Aug 2009	
		Annual Data Displayed	New Post	Annual Data Displayed	New Post	Annual Data Displayed	Jan
			Data		Data		Data
Area Planted		0	0	0	0	0	0
Area Harvested		44	43	43	45	45	46
Beginning Stocks		41	41	41	34	34	34
Production		88	88	88	95	95	95
Imports		0	0	0	0	0	0
MY Imports from U.S.		0	0	0	0	0	0
Total Supply		129	129	129	129	129	109
Exports		75	75	75	75	90	90
Use		20	20	20	20	0	5
Loss		0	0	0	0	0	0
Total Dom. Cons.		20	20	20	20	0	5
Ending Stocks		34	34	34	34	39	34
Total Distribution		129	129	129	129	129	129
Stock to Use %		36	36	36	36	43	36
Yield		435.	446.	446.	460.	460.	450.
TS=TD			0			0	0
Comments							
AGR Number							

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